



# Armstrong County TCDRS Retirement Plan

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# TCDRS Does Retirement Right

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**Savings-based**  
Benefits



**Responsible**  
Plan Funding



**Flexibility &**  
Local Control

# TCDRS By the Numbers



Nearly  
**870**  
employers



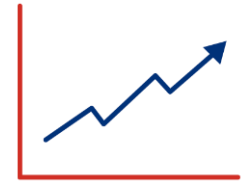
Nearly  
**380,000**  
members &  
retirees



**89%**  
funded



**\$46B**  
in assets



**7.6%**  
30-year  
return

# Investment Returns (Net of All Fees)

As of Dec. 31, 2023

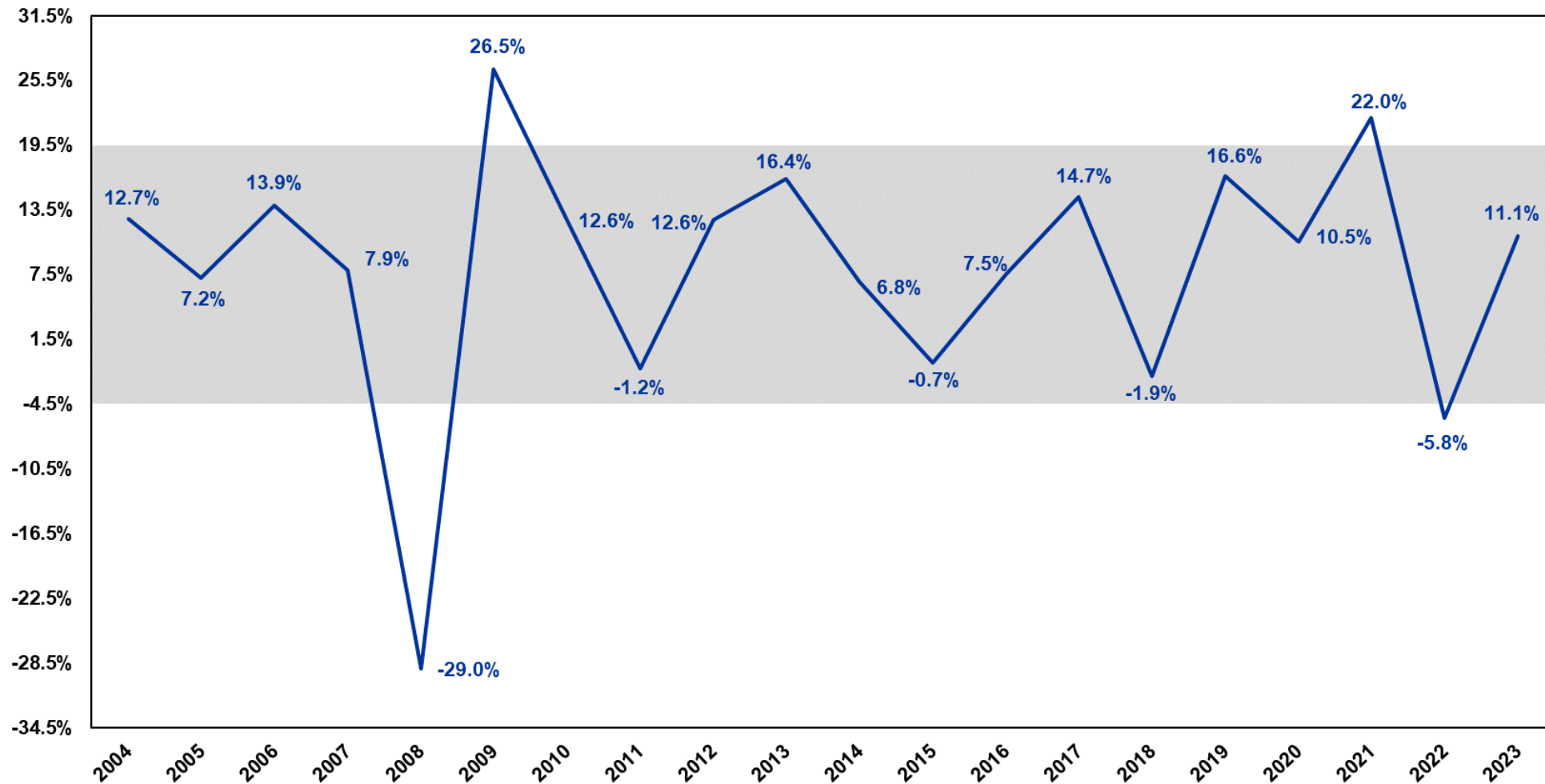
Annualized Returns	2023 Return	5 Year	10 Year	20 Year	30 Year
Total Fund	11.1%	10.5%	7.8%	7.3%	7.6%
Benchmark	11.3%	9.2%	6.6%	6.5%	6.5%



# Achieving Long-term Investment Goals

(Net of All Fees)

## Expected Risk & Return



# Your Plan of Benefits

- Employee deposit rate: **7%**
- Employer matching rate: **150%**
- Vesting: **8** years of service
- Retirement eligibility:
  - Age 60 with **8** years of service
  - Rule of **80** (must be vested)
  - **30** years of service at any age

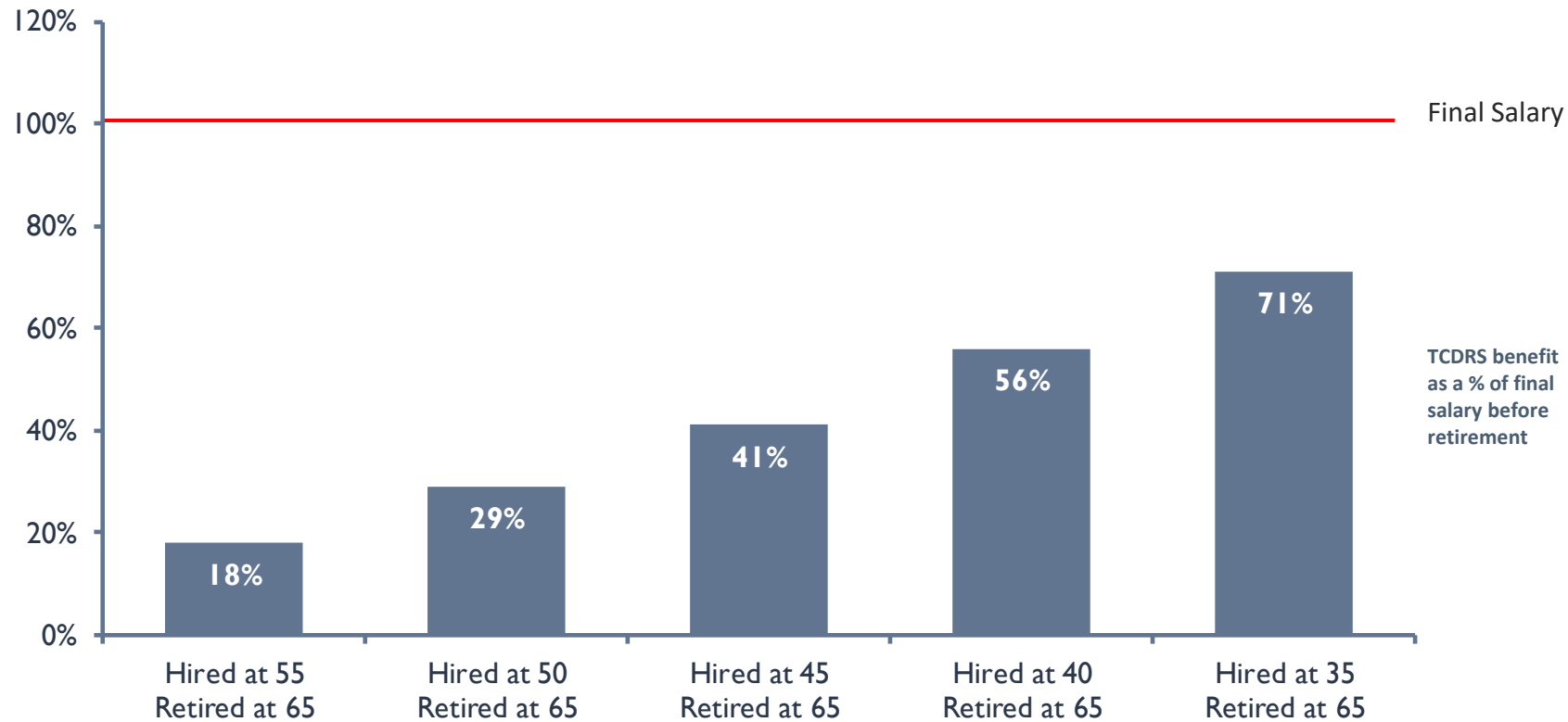
Group Term Life: **Active employees and retirees**

# Average Employee & Retiree Profile

- Your Employees:
  - **51** years old
  - **6** years of TCDRS service
- Your Retirees:
  - **66** years old at retirement
  - **12** years of service at retirement
  - **\$8,000** average annual TCDRS benefit

# What You Provide at Retirement

The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:



## Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [www.tcds.org](http://www.tcds.org)).
- Based on Single Life benefit.



# Your Plan Funding

- Employer rate for 2025: **5.23%** of payroll
- Elected rate: **6.15%** of payroll
- Your rate does two things:
  - Investing for your current employees' future benefits
  - Paying down your liabilities within 20 years

# Your Plan Rate Change: 2024-2025

Reason for Rate Change	2024-2025
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<b>2024 Rate</b>	<b>4.58%</b>
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Plan changes adopted	TBD
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Investment returns	-0.06%
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Elected rate/lump sum	-0.13%
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Demographic and other changes	0.84%
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Assumptions and methods	0.00%
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<b>2025 Rate</b>	<b>5.23%</b>
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<b>Dec. 31, 2023 Funded Ratio</b>	<b>102.4%</b>
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# You Make the Call Each Year

## 2025 Contribution Rates\*

		Employee Deposit Rate			
		7%	6%	5%	4%
Matching Rate	250%	10.44%	8.67%	6.90%	5.13%
	225%	9.14%	7.55%	5.97%	4.38%
	200%	7.83%	6.43%	5.03%	3.63%
	175%	6.54%	5.33%	4.10%	2.89%
	150%	5.23%	4.21%	3.18%	2.14%
	125%	3.93%	3.09%	2.25%	1.41%
	100%	2.63%	1.97%	1.32%	0.66%

\* All benefit changes presented are for future only options.

# Ways to Help Keep Rates Stable

- Maintain or adjust your benefit levels
- Contribute at a higher elected rate
- Make an additional employer contribution

# Passing Cost-of-Living Adjustments

- Two types
  - **Flat-Rate:** Increases all your retiree benefits by the same percentage
  - **CPI-Based:** Retiree purchasing power restored relative to Consumer Price Index
- Not automatic
- Two ways to fund a COLA
  - Over 15 years as part of your employer rate
  - Immediately with an extra contribution



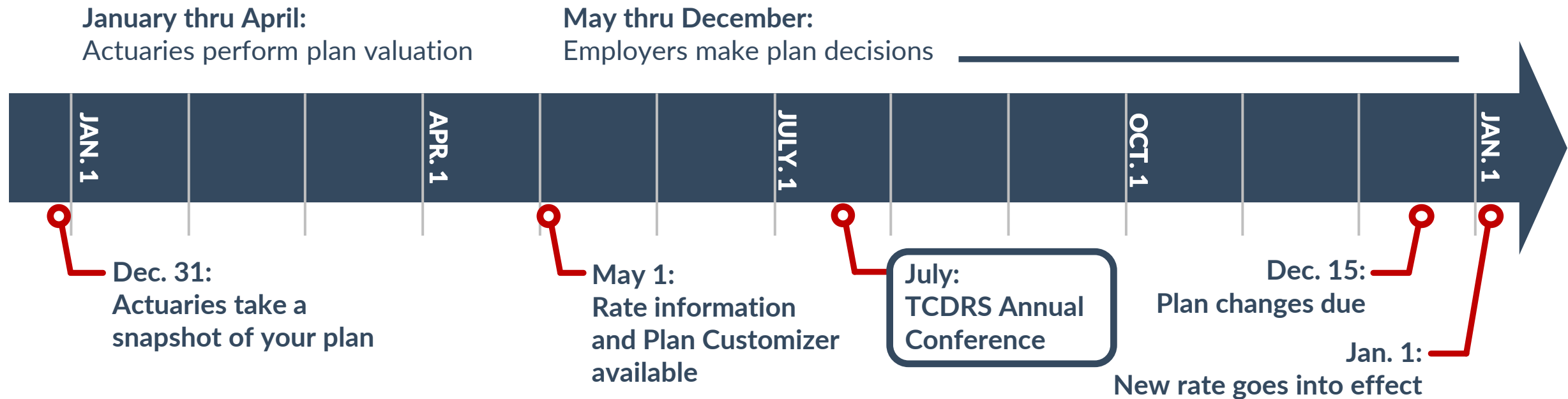


# What's Next?





# When You Review Your Plan



# We Are Here to Help!



- **Employer Services**
  - Information regarding plan options
  - Rate information and analysis
  - Special Plan Studies
  - Attend Commissioners Court and Board Meetings
- **Educational opportunities**
  - Annual Conference (July 18-19)
  - Free webinars
- **Contact information**
  - TCDRS.org 800-651-3848

# Set Up For Success

- Created in **1967** by the Texas Legislature
- Receive **no funding** from the State of Texas
- Operating costs average **0.18%** of assets
- Managed independently by a **nine-member** board of trustees

# TCDRS Benefits Texas

- **\$2.3 billion** in benefits paid in 2023
  - Benefits paid in Armstrong County:  
**\$494,745**
- Supports Texas economy
  - **\$3.3 billion** in additional economic activity
  - **21,824** jobs created
  - **\$1.9 billion** added to Texas GDP

# Investment Income Funds Benefits



Estimated

74¢

Investment  
Earnings

15¢

Employer  
Contributions

11¢

Employee  
Deposits

# Diversified Portfolio Reduces Risk



## Target Asset Allocation

As of March 2024





Questions?